

7-1-324 Debt cancellation agreements and debt suspension agreements.

- (1) As used in this section:
 - (a) "Class of depository institution" means a class consisting of:
 - (i) banks;
 - (ii) credit unions;
 - (iii) industrial banks; or
 - (iv) wholly owned subsidiaries of a depository institution listed in this Subsection (1)(a).
 - (b) "Debt cancellation agreement" is as defined in Section 31A-21-109.
 - (c) "Debt suspension agreement" is as defined in Section 31A-21-109.
- (2) Subject to the other provisions of this section, the commissioner may by rule, made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:
 - (a) authorize any member of a class of depository institution that is subject to the jurisdiction of the department to issue:
 - (i) a debt cancellation agreement; or
 - (ii) a debt suspension agreement; and
 - (b) regulate the issuance of a debt cancellation agreement or a debt suspension agreement issued in this state by a member of a class of depository institution.
- (3)
 - (a) Any rule adopted by the commissioner under this section as applied to a class of depository institution shall be substantially similar to any federal regulation applying to the same class of depository institution.
 - (b) Any rule adopted by the commissioner applicable to a class of depository institution described in this Subsection (3)(b) shall be substantially similar to any federal regulation applicable to a bank if no federal regulation authorizes or regulates the issuance of a debt cancellation agreement or debt suspension agreement for that class of depository institution.
- (4)
 - (a) An out-of-state depository institution may issue a debt cancellation agreement or debt suspension agreement in this state if:
 - (i) the home state of the out-of-state depository institution authorizes and regulates the issuance of a debt cancellation agreement or debt suspension agreement by the out-of-state depository institution; and
 - (ii) subject to Subsection (4)(b), the out-of-state depository institution complies with regulations from the out-of-state depository institution's home state that regulate the issuance of a debt cancellation agreement or a debt suspension agreement.
 - (b) Notwithstanding Subsection (4)(a), an out-of-state depository institution described in Subsection (4)(a) shall comply with rules adopted by the commissioner under this section that regulate the issuance of a debt cancellation agreement or a debt suspension agreement in this state by the class of depository institution to which the out-of-state depository institution belongs if the regulations of the out-of-state depository institution's home state do not provide at least the same level of protection with respect to a debt cancellation agreement or debt suspension agreement as the rules adopted by the commissioner under this section with respect to the same class of depository institution:
 - (i) for the safety and soundness of the depository institution; and
 - (ii) for consumer protections for the borrowers of the depository institution.

Amended by Chapter 73, 2013 General Session